423 landowners, and less than 3 per cent in the hands of the middle and poor peasants.[5] He came to the conclusion that as 40,000 people out of a total population of 57,400,000 were on the verge of starvation, the policy of Mao Tse-tung was justified and should be carried out.

745 162 In this period it was also found that there was a large number of persons in Southwest China who depended upon the government for a living. Teng Hsiao-p'ing reported on April 11, 1950 that there were 900,000 disbanded Kuomintang soldiers, 400,000 old civil service men, and 700,000 Communist soldiers. He emphasized that if they were not well-fed, a state of disorder might result.[6] The Communists considered the collection of a grain levy on the whole population in order to feed the armies and the civil service men as the most urgent need at this time.

669 The Communists were greatly concerned that the Kuomintang members would make trouble. Their fears were confirmed when the rebellion led by Li Mi and Yü Ch'eng-wan, two Kuomintang generals, took place in Kunming. Part of the 2nd and 4th field armies were sent from southern Kwangsi to Yunnan, and the rebellion was quickly stamped out, although the rebel leaders succeeded in escaping to the border of Burma.

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5. Ibid., p. 1006.

6. Ibid., p. 991.

1:Stanford U. S-4, 5 1956 AF 16 SW China AF16

the Korean war, the Chinese workers were urged to make "voluntary" contributions to finance the war. Within three months of 1951, workers in the city of Chungking contributed 13,200,000,000 yuan (old currency).[28]

The Communists have reported an increase in bank savings throughout the whole country. By early May 1954, total savings deposits in cities nationwide were stated to be ten times larger in May 1954 than at the end of 1950. By the end of 1953, savings deposits in the Southwest Region had increased by 7.5 times as compared with 1950. But the increased savings do not necessarily indicate surplus spending power in the hands of the people. Beginning in 1952, the Chinese Communists forced each worker to put 25 to 30 per cent of his income in the People's Bank as compulsory savings to prevent possible inflation and to accumulate capital for national construction.[29] After deducting the "voluntary" contributions and compulsory savings, there is not likely to be money for the workers to spend for other than daily living needs.

VI. LABOR WELFARE

A. Insurance and Health

Under the Labor Insurance Law promulgated by the Communist government in March 1951, 5,380,000 workers throughout China received insurance coverage for death, old age, illness and disability. In the Southwest China Region, there were 163,824 workers, other than railway

28. New China Daily, Oct. 25, 1951, p.2.
29. Tsu-kuo Chou-k'an[China Weekly], Hong Kong, Jan.4, 1954, p. 41.

1:Stanford U. S-4, 5 1956 AF 16 SW China AF16

745 and telecommunication employees covered by the insurance law in mid-1952. In the whole region, there were only three large sanitoria, nine rest homes, and 53 crêches established under the provisions of the Labor Insurance Law. The largest sanitoria for workers is located in Nan-wen-ch'üan (Southern Warm Spring), a famous health resort and scenic beauty spot ten miles south of Chungking.

B. Labor Safety and Industrial Accidents

466 The Chinese Communists claim that from 1949 to 1953 the People's Government enacted 119 decrees, rules, and regulations concerning labor safety and sanitation. But there are no indications that any of them has been enforced to any extent. Since the intensification of the labor emulation drive in 1951, the incidence of industrial accidents in Southwest China has been increasing. A report covering the first half of 1952 showed a serious situation. According to the deputy director of the Department of Industry of the Southwest Region,[30] during the first six months of 1952, 3,245 industrial accidents occurred in the region and the accident death rate increased 56.25 per cent over the corresponding period of 1951. From June to August 1952, there were 273 serious industrial accidents reported in Chungking alone. As a result of these disclosures, the municipal government of Chungking issued a directive in September 1952 calling on all responsible parties in the factories and mines of Chungking to follow carefully the labor safety measures and to establish special agencies in each

30. Ibid., January 19, 1953, p. 7.